

FISCAL NOTE

SB 321 - HB 1173

March 20, 1997

SUMMARY OF BILL: Amends the retirement law by providing a bonus cost-of-living increase beginning on July 1, 1997 for all retired teachers and retired general employees who are 75 years of age or older and who retired prior to July 1, 1982.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,408,000 Annual Amortized Cost

Increase Local Govt. Expenditures* - \$473,000 Annual Amortized Cost

Other Fiscal Impact - Increase Federal/Other Expenditures - \$97,000 Annual Amortized Cost

Estimate assumes:

- Total lump sum liability to state government of \$10,863,000
- Annual amortized cost using a 20-year amortization of lump sum liability
- K-12 teachers assumes 70%-30% ratio between state and local funding
- Approximately 11,800 members age 75 or greater

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director